

## CHAPTER 31

### INDEBTEDNESS

***Refer to the collective bargaining agreement with AFGE Local 1770 for additional provisions pertaining to bargaining unit employees.***

#### 31-1. GENERAL.

The Standards of Conduct Regulation, DOD 5500.7-R states that, "Employees shall satisfy in good faith their obligations as citizens, including all just financial obligations, especially those such as Federal, State, or local taxes that are imposed by law." Most cases of excessive indebtedness result from one or more of the following;

a. Unforeseen circumstances, such as family illnesses, which are beyond the employee's control.

b. Injudicious use of credit extended in good faith by reputable merchants and lending institutions.

c. The Agency will not act as a collection agency in connection with commercial obligations for debts allegedly incurred by an employee. Levies and judgments by government agencies (i.e., Federal District Courts, Internal Revenue Service, and state revenue service) will be honored in accordance with governing laws and regulations. It is the responsibility of creditors to investigate employees prior to extending credit and to assume responsibility of collection.

#### 31-2. PROCEDURES.

a. Upon receipt of a debt complaint from a bona fide creditor, the creditor will be advised that Management will forward the complaint to the employee, that a complaint is a private matter between the creditor and employee, and the Employer will not be involved in debt collection activities.

b. Formal disciplinary action will be resorted to only after:

(1) Counseling and other corrective measures have failed to resolve the problem and then,

(2) Only after full consideration of the employee's personal circumstances and a finding that failure to meet a just obligation was both deliberate and without good cause,

(c) Failure to satisfy the debt has, or will have, an adverse effect on the employee's performance or the ability of the organization to accomplish its assigned mission.

(d) Records relating to a creditor's claim will not be placed in the employee's Official Personnel Folder unless the claim results in formal disciplinary action.

